

June 13, 2012

**ITEM NO. A1**

**RECOMMENDATION TO ENTER INTO TWO-YEAR CONTRACTS WITH  
NEIGHBORHOOD HOUSING SERVICES, SPANISH COALITION FOR HOUSING,  
RESURRECTION PROJECT AND THE LAW PROJECT TO PROVIDE PRE-  
PURCHASE AND POST-PURCHASE HOMEOWNERSHIP COUNSELING AND  
LEGAL SERVICES FOR PARTICIPANTS OF THE CHOOSE TO OWN  
HOMEOWNERSHIP PROGRAM**

To the Honorable Board of Commissioners:

**RECOMMENDATION**

It is recommended that the Board of Commissioners ("Board") authorize the Chief Executive Officer or his designee to execute contracts with Neighborhood Housing Services ("NHS"), Spanish Coalition for Housing ("SCH"), Resurrection Project, and The Chicago Lawyers' Committee for Civil Rights ("The Law Project"), in an aggregate not-to-exceed amount of \$243,450 for a two (2) year base term with two (2) additional one-year option periods to provide pre-purchase and post-purchase counseling and legal services for participants of CHA's Choose to Own Homeownership Program.

**FUNDING SUMMARY**

**General Fund**

**Vendors:**

**Neighborhood Housing Services**  
1279 North Milwaukee – Suite 500  
Chicago, Illinois 60622  
Base Term Contract Amount: \$84,250

**Spanish Coalition for Housing**  
1922 North Pulaski Road  
Chicago, Illinois 60639  
Base Term Contract Amount: \$58,200

**Resurrection Project**  
1818 South Paulina Street  
Chicago, Illinois 60608  
Base Term Contract Amount: \$41,000

**The Law Project**  
100 North LaSalle – Suite 600  
Chicago, Illinois 60602  
Base Term Contract Amount: \$60,000

**Specification No.:** 11-00863  
**Contract Type:** Fee for Service  
**Contract Period:** Two (2) Years  
**Aggregate Contract Amount:** \$243,450

**Dates Advertised:** 12/27, 28, 30, 2011  
**Pre-Proposal Conference:** 1/9/2011  
**Date Proposals Due:** 2/3/2012  
**Advertisement:** Chicago Sun Times,  
Chicago Defender, and Extra  
**Number of Pick-Ups:** 32  
**Number of Proposals Received:** 7  
**Number of Vendors Solicited:** 79  
**MBE:** 2 **WBE:** 3 **DBE:** 2  
**Notification to Assist Agencies:** 64

**Option Period:** Two (2) One-Year Options

**Neighborhood Housing Services: Waiver Approved**

Section 3: \_\_\_\_\_ (#) Hiring \_\_\_\_\_ (\$) Subcontracting 1.5% (\$) Other Economic Opportunities

**Spanish Coalition for Housing: Waiver Approved**

Section 3: 1 (#) Hiring \_\_\_\_\_ (\$) Subcontracting \_\_\_\_\_ (\$) Other Economic Opportunities

**Resurrection Project:**

20% MBE % WBE % DBE

Section 3: \_\_\_\_\_ (#) Hiring \_\_\_\_\_ (\$) Subcontracting 1.5% (\$) Other Economic Opportunities

**The Law Project: Waiver Approved**

Section 3: 1 (#) Hiring \_\_\_\_\_ (\$) Subcontracting \_\_\_\_\_ (\$) Other Economic Opportunities

**EXPLANATION**

The purpose of Request for Proposal No. 11-00863 (the “RFP”) was to solicit vendors to continue providing CHA’s Choose to Own Homeownership Counseling Services (“CTO” or the “Program”). For the past 10 years, CTO has provided Housing Choice Voucher (“HCV”) tenants the option to own a home within the city of Chicago by utilizing the voucher subsidy to help families pay a portion of their mortgage. In 2011, CHA expanded the CTO program to also include public housing families. CTO is aligned with CHA’s corporate strategies of helping families maximize their potential and move toward economic independence.

**Choose to Own Program History**

The CTO program has provided opportunities for CHA families to own a home within the city of Chicago since 2002. CHA uses the voucher subsidy to help CTO participants pay a portion of their monthly mortgage for up to 15 years (up to 30 years for elderly residents or people with disabilities). Homeownership programs, like CTO, have been implemented by housing authorities throughout the country with the support of HUD. CHA’s program continues to be successful due to the broad network of partnerships that support residents before and after purchasing a home.

Since 2002, the CTO program has helped more than 360 families purchase homes, 42 of which are now paying 100% of their mortgage and no longer receiving any subsidy toward their house payment. Since expanding the Program to public housing families in 2011, the first two families are close to finalizing their home purchase and several more are working through the homebuyer process.

From 2002 through 2010, the Program was administered through subcontracts administered by Quadel, CHA’s former HCV contract administrator. In 2011, CHA took over direct administration of CTO by contracting directly with HUD certified homeownership counseling agencies. In December 2011 CHA released an RFP to competitively procure new contracts to continue the Program.

### Choose to Own Homeownership Counseling Services

CTO includes pre-purchase counseling to help families navigate the home buying process, coordination of legal services, and post-purchase counseling services as needed. Pre- and post-purchase homeownership counseling is provided by HUD certified homeownership counseling agencies and is required for participants to complete the CTO program. Participants may purchase a single-family home, townhouse, condominium, or cooperative anywhere in Chicago.

HCV and public housing families interested in homeownership must first attend an orientation conducted by CHA staff, apply to the CTO and pass a financial review that includes a credit check and established savings. Program participants will then be referred to one of the recommended agencies for pre-purchase counseling. Pre-purchase counseling includes an initial assessment to review credit, budget and individual planning. Participants will engage in a minimum of eight (8) hours of classroom training prior to being eligible to purchase a home. Pre-purchase courses include, but are not limited to, financial literacy, responsibilities of homeownership, selecting a home, selecting a loan, purchase prices and the closing process. Throughout the purchase process, CTO participants will receive legal support that may include, but not be limited to review and negotiation of the sales contract, representation at the closing, and estate planning.

In the first year after closing on the new home, participants will engage in post-purchase counseling on a quarterly basis. Activities may include, but are not limited to, assessment of monthly expenses, review of the household savings plan, seasonal maintenance, and foreclosure prevention.

### Contractor Background

The Contractors selected to operate the Program will be responsible for providing pre- and post-homeownership counseling, legal services and additional support throughout the home buying process. The four (4) selected vendors have a unique combination of experience to provide these services and are all HUD certified agencies. Following a competitive procurement process, CHA is recommending:

- NHS will provide pre- and post-homeownership counseling services. NHS has provided homeownership counseling services to CHA families since the inception of the Program in 2002. CHA has been satisfied with NHS's performance.
- SCH will provide pre- and post-homeownership counseling services to CTO participants. SCH has provided homeownership counseling services to CHA families since the inception of the Program in 2002. CHA has been satisfied with SCH's performance.
- The Resurrection Project will provide pre-homeownership counseling services. Since 1990, the Resurrection Project, as a HUD certified agency, has provided homeownership counseling services to low- and very-low income residents throughout the Chicagoland area, however this is their first time providing services through CHA's CTO Program.
- The Law Project will provide legal assistance to program participants. Since 2002, the Law Project has provided legal assistance to CTO participants. CHA has been satisfied with The Law Project's performance.

### **Procurement History**

The CHA advertised the RFP on December 27, 2011 to solicit vendors to provide pre and post homeownership counseling and legal services. The RFP was advertised in the Chicago Sun Times, Extra, and the Chicago Defender. Additionally, 64 Assist Agencies received notification of the solicitation, and copies were made available at the CHA offices at 60 East Van Buren, 13<sup>th</sup> Floor. The CHA also directly solicited 79 firms, and posted the solicitation announcement on the CHA website and in BuySpeed. A Pre-Proposal Conference was held on January 9, 2012 with representatives from nine (9) firms in attendance. On February 3, 2012, the CHA received seven (7) proposals. An Evaluation Committee consisting of three (3) members evaluated all proposals.

After the Evaluation Committee completed its analysis of the proposals, a competitive range was set and approved by the Contracting Officer. Five (5) firms were found to be within the competitive range. The decision to forego oral presentations, due to the small size of the procurement and the information provided and detailed in the original proposals, was approved, and best and final offers were requested and submitted by each of the five firms. Based upon the evaluations of the written proposals and best and final offers, it was determined that four (4) of the five (5) firms, Neighborhood Housing Services of Chicago, Spanish Coalition for Housing, The Resurrection Project and The Law Project will provide the best overall service and value to the CHA. The recommended contract awards are based on the anticipated number of referrals each agency will receive for their proposed services and the fees each agency proposed in their Best and Final Offers.

### **Conclusion**

Based upon the foregoing, it is in the best interest of CHA to authorize the Chief Executive Officer, or his designee, to enter into fee-for-service contracts for two (2) year base terms, with two (2) one-year options with (1) Neighborhood Housing Services in an amount not-to-exceed \$84,250 for the base term; (2) Spanish Coalition for Housing in an amount not-to-exceed \$58,200 for the base term; (3) Resurrection Project in an amount not-to-exceed \$41,000 for the base term and (4) The Law Project in an amount not-to-exceed \$60,000 for the base term for an aggregate amount not-to-exceed \$243,450 to provide pre-purchase and post-purchase counseling and legal services for participants of CHA's Choose to Own Homeownership Counseling Program.

**RESOLUTION NO. 2012-CHA-44**

**WHEREAS**, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated June 13, 2012, entitled "RECOMMENDATION TO ENTER INTO TWO-YEAR CONTRACTS WITH NEIGHBORHOOD HOUSING SERVICES, SPANISH COALITION FOR HOUSING, RESURRECTION PROJECT AND THE LAW PROJECT TO PROVIDE PRE-PURCHASE AND POST-PURCHASE COUNSELING AND LEGAL SERVICES FOR PARTICIPANTS OF THE CHOOSE TO OWN PROGRAM";

**THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY**

**THAT**, the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into fee-for-service contracts for a two (2) year base term, with two (2) one-year options with (1) Neighborhood Housing Services in an amount not-to-exceed \$84,250 for the base term; (2) Spanish Coalition for Housing in an amount not-to-exceed \$58,200 for the base term; (3) Resurrection Project in an amount not-to-exceed \$41,000 for the base term and (4) The Law Project in an amount not-to-exceed \$60,000 for the base term, for an aggregate amount not-to-exceed \$243,450 to provide pre-purchase and post-purchase counseling and legal services for participants of CHA's Choose to Own Homeownership Counseling Program.

